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FIRST REPORT OF COMMISSION

TO STUDY NON-CONTRIBUTORY PENSIONS.

ESTABLISHED UNDER

JOINT RESOLUTION NO. 7, 1954

TO

THE NEW JERSEY LEGISLATURE

MARCH 1955

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TO THE LEGISLATURE OF THE STATE OF NEW JERSEY

There is herewith submitted the first report of the Commission to study Non-Contributory Pensions, established under Joint Resolution No. 7, 1954.

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Report of Commission on Non-Contributory Pensions

I. Establishment of Commission

The Commission to Study Non-Contributory Public Employee Pensions was initially established under Joint Resolution No. 6, 1953. As a result of the fact that several of the original legislative members became ineligible for membership following changes in public office, the Commission was continued under Joint Resolution No. 7, 1954, with several new legislative members appointed.

The purpose of the Commission and the scope of its field of inquiry is set forth in the 1953 Resolution:

"WHEREAS, Studies by the Bureau of Governmental Research of the State University indicate that there are more than seventy laws authorizing or requiring the payment of noncontributory retirement benefits to employees of the State Government and of local governments; and

WHEREAS, There are no accurate data available on the existing and potential liabilities which the taxpayers will be called upon to assume to redeem the promises given or implied by these laws; and

WHEREAS, Many of these laws overlap and serve no useful public purpose; and

WHEREAS, it is desirable that the retirement laws of this State be simplified and made reasonably consistent as between employees and governmental units....."

"It shall be the duty of the commission to examine and study the laws of the State of New Jersey dealing with the retirement of persons employed by the State Government or by any political subdivision thereof; provided, however, that such study shall be limited to the examination of retirement laws to which employees do not contribute and shall not be extended to include any examination of contributory retirement laws or pension systems except as such systems may be studied for the purposes of comparison with noncontributory retirement laws and pension systems ...."

II. The Problem

Examination of the New Jersey Statutes reveals that there are at present 81 laws extending free pension benefits to public employees or their beneficiaries, not including the free veterans' retirement act which was specifically eliminated from the Commission's purview by the enabling resolution. A listing and brief

description of these laws is given in Appendix B. It can be seen that no logical pattern exists and that obviously the qualifications under each law were determined by individual situations.

A survey made for the Commission indicates that the benefits under these acts cost the taxpayers of the counties, municipalities, and school districts over \$1,131,000.00 in 1953. A breakdown of this figure, which admittedly is based on incomplete returns to the questionnaire submitted to local government officials, is given in Appendix A.

Of far greater importance than these immediate figures is the fact that a greater financial burden will be imposed in the future by these laws in their application to persons not yet retired.

### III. The Commission's Approach

#### A. Judicial Pensions

Among the various non-contributory pension acts, there are several that apply to the judiciary. In examining these laws, the Commission came to the conclusion that the entire subject of judicial pension and survivorship benefits required special, careful study. It was agreed that except for acts having no future applicability this matter should be the subject of a separate report and that therefore this first report of the Commission would deal with nonjudicial pensions.

#### B. Legislation for Individuals

A number of the non-contributory pension acts, whether couched in general or special terms, are obviously designed to benefit one specific individual--a public employee, or his survivors. An example of such an act is Chapter 86, P. L. 1923 which provides for the payment of a pension to the widow and children of any employee of the State Board of Shell Fisheries who, prior to March 17, 1923, lost his life in the performance of duty. Benefits under such laws are either being received currently or are no longer being paid since the specific individual has died. In any event no new or future obligations exist as a result of the existence of these laws. The Commission agreed that

such laws should be repealed, provided that benefits currently being received, should continue in force.

### C. General Legislation

In a separate category are those laws which extend non-contributory pension benefits to whole groups of public employees and which have future applicability. As an example, RS 43:12-63 provides:

"Whenever any person holding office, position or employment in any borough has or shall have been continuously in office, position or employment in such borough, or in such borough and a municipality from which it was created, whether elective or appointive or both elective and appointive, for a period of twenty-five years, and has or shall have attained the age of sixty-five years, the governing body of such borough may allow the retirement of such person from service, upon his application."

Similar, but not identical, acts apply to the employees of counties, cities, and school districts. Other acts apply to specific positions within all townships, or other political subdivisions. While the specific requirements with regard to qualifying for a pension differ, the concept is the same. The intent is to make pension benefits available to long-term employees who are not members of contributory retirement system. Such acts are generally known as "Old and Faithful Acts", referring to the concept of affording pension benefits in recognition of long and faithful public service.

It is the Commission's feeling that the idea of having non-contributory pension protection available to persons who did not, and were not required by law, to join a contributory retirement system, is a good and necessary one. there is no reason, however, why treatment for all such public employees should not be uniform throughout the State. Uniform treatment would eliminate discrimination among various levels of government employees and would greatly simplify the administration and understanding of the entire subject of public employee pensions. Accordingly, the Commission recommends that one uniform law be substituted for all the present general pension laws, and has drafted an act which it feels is liberal and equitable as compared with the existing laws.

It should be noted that the Commission feels that the benefits of the uniform non-contributory pension act should not be available to any public

employee who was required by law to join a contributory retirement system but who failed to do so. Such a person has evaded a legal requirement. To provide him with non-contributory benefits would amount to rewarding him for evading the law and would be to discriminate against all other employees who joined the contributory system in compliance with the law.

In this connection, the Commission studied the question of whether non-contributory pension benefits should be available at all to any person who at any time, had the option of joining a pension fund and decided not to do so. A study of the contributory retirement systems reveals that as a general rule upon their coming into effect in a specific governmental unit, all employees then employed had the option of joining or not joining. Thereafter, all new employees meeting the qualifications specified by law had to join the retirement system. Periodically, the doors of membership were opened to the original employees on a permissive basis. In rejecting membership in the beginning and at various times thereafter, these employees chose to rely upon eventually qualifying for benefits under some non-contributory act. To remove the availability of a non-contributory benefit from such persons at the present time would cause considerable hardship. Even if the doors of the retirement systems were opened once again, the cost of building up credit for past years of service would be very great.

The public school teachers furnish an excellent example of the above situation. In 1919, all teachers then employed had the option of joining or not joining the then newly created Teachers' Pension and Annuity Fund. This fund was established following the financial collapse of past contributory retirement programs. Fearful, because of past experience, many teachers chose not to join the new fund. No non-contributory benefit was available at that time. However, a general non-contributory act covering school districts was passed in 1942 (Ch. 255, P. L. 1942). Until the passage of this act boards of education had no authority to compel the retirement for age of teachers who did not belong to the Teachers' Pension and Annuity Fund. For the past

thirteen years, therefore, the older teachers, in standing firm in their original decision not to join the Teachers' Pension and Annuity Fund, have certainly been influenced greatly by the possibility of receiving benefits under the 1942 act. While this act is purely permissive on the part of the school board, only by granting the pension benefits can such teachers be retired. Even if this were not so, the fact of the matter is that the mere existence of the permissive free pension grant has created hopeful expectation in the minds of these long-service teachers which could not now be removed without causing widespread damage. If it were now made possible for these teachers to purchase credit in the pension fund for all past years of service, with the State matching such contributions, the cost would probably exceed \$10,000 per person.

Parallel situations exist at the State level and within every governmental unit where the Public Employees' Retirement System came into operation as the result of local government action or municipal referendum. They also exist in municipalities and counties having separate, local contributory pension funds.

The Commission has therefore taken the position that the uniform non-contributory pension act should apply to all employees who were not required by law to become members of a contributory retirement system.

D. The Effect of Social Security Coverage and the Public Employees Retirement System.

As a result of action taken under Chapter 253, P. L. 1951 and Chapter 84 P. L. 1954, Federal Social Security coverage has been extended to over 75,000 public employees within New Jersey. It is further indicated that in the next few months Social Security coverage will be extended to all public employees who because of some personal disqualification, such as age at the time of appointment, could not join an existing retirement system. This action greatly narrows the area of public employees who are without pension protection. Many employees who formerly could rely only upon the "Old and

Faithful Acts" now have the assurance of benefits for themselves, their dependents, and their beneficiaries under the Federal program. The Federal retirement benefits may, in many cases, compare favorably with retirement benefits under the non-contributory acts, while the Federal benefits for beneficiaries in the event of death are not matched in the New Jersey statutes.

The Commission feels that the public employer should be assisted by the Social Security program in meeting the financial obligations of the proposed uniform non-contributory pension act. Since the new program extends to public employees vastly improved protection for dependents and beneficiaries, it is recommended that the Social Security benefit payable to employee directly at age 65 should be deducted from the amount of pension payable by the employer. Thus taxpayer liabilities would be decreased and the public employee would have a well-rounded benefit program which would represent a vast improvement over the pre-Social Security period.

It should be noted that unless such an approach is taken toward the payment of non-contributory benefits shortly, it will be possible for public employees to receive both the full benefits of the existing "Old and Faithful Acts" and Social Security. As an example of this situation, an employee could, under the borough act cited above, receive a half-salary pension from his employer and at the same time receive large Social Security payments. An employee earning \$3600 could receive a pension of \$1800 a year from the borough and \$1200 a year from Social Security, for a total of \$3,000 per year.

This gives rise to two possibilities. Where the employer has complete discretion with regard to the granting of a pension, he may well refuse to make such a grant since Social Security benefits will be paid. This would, in the majority of cases reduce the amount of total retirement allowance received by the employee. On the other hand, where the employer has little, or perhaps no, discretion concerning pension payment--as in the case of the act applicable to cities--the taxpayers will be paying for two



retirement programs for the same employee, and the non-contributory benefits will far outstrip those payable at age 65 from any contributory system in the State.

It is in the interest both of public employees generally and of taxpayers that prompt action be taken with regard to the effect of the Social Security program on non-contributory pensions. The Commission's recommendation on this point would remove uncertainty from the mind of the public employee and would serve to relieve somewhat the future financial burdens of non-contributory pensions.

#### IV. Commission's Recommendations

The Commission makes the following recommendations:

1. That there be a general non-contributory pension act, which would replace the great majority of non-contributory pension acts other than the veterans' retirement act. The specific laws affected are briefly described in Appendix B, where they are numbered as 3 through 7, 15 through 28, and 31 through 81.

2. That this act permit any county, municipality, or school district to retire any public employee who was or is not required by law to join a contributory retirement system and who is either 65 years of age or permanently and totally disabled.

3. That the maximum benefits payable under the act shall be:

- a. 30% of final average salary if the employee has under twenty years of employment; and

- b. 50% of final average salary if the employee has over twenty years of service.

4. That the pension payable be reduced by the amount of the Social Security Old-Age Insurance benefit to which the employee could be eligible. This would not affect Social Security payments to dependents or beneficiaries.

5. That benefits be based upon the average salary received in the five years preceding employment, or, if the employee had less than five

years' service, on the average compensation during employment. This would eliminate the danger of benefits being based solely upon a sudden salary increase in the last year of employment.

6. That pensions already granted under acts being repealed shall be continued.

In order to accomplish these recommendations, the Commission submits the draft of the proposed "General Non-Contributory Pension Act" in Appendix C.

# APPENDIX A

## LOCAL GOVERNMENT EXPENDITURES FOR NON-CONTRIBUTORY PENSIONS - 1953

<u>Rutgers Red Book Number</u>	<u>Citation</u>	<u>Number of Pensioners</u>	<u>Annual Appropriation 1953</u>
1	43:4-1	2	2,850.00
40	43:9-1	5)	{72,935.91
41	43:9-2-5	73)	{54,811.75
43	43:9-9-10	2	3,500.00
48.3	43:9-28-29	1	4,020.00
51	43:9-11-12	1	840.00
52	43:9-13-16	1	1,133.33
63	43:12-46-1-5	10	17,167.75
64	43:12-47-49	16	9,491.39
65	43:12-12-16	1	1,695.00
66	43:12-26-28	5	7,450.00
69	43:12-1	35	55,435.00
70	43:12-38	1	1,733.33
85	43:12-63-64	8	13,492.88
86	43:12-58-60	1	1,650.00
89	43:12-43-44	1	500.00
93	43:12-57-4	1	1,000.00
94	43:12-57-5	3	2,200.00
94.1	43:12-57-6-11	2	4,918.00
96	18:5-50-9-13	924	857,969.24
97	18:6-36	<u>13</u>	<u>17,200.00</u>
	TOTAL	1,106	\$1,131,993.58

# Appendix B

## LIST OF NON-CONTRIBUTORY PENSION LAWS

NO.	STATUTE		PERSONS OR POSITIONS COVERED	LIMITED OR NO. NEW APPLI-CATION	MANOA-TORY	PERMISSIVE OPTION OF		AGE	YEARS OF SER-VICE	AMOUNT OF PENSION	DISABILITY REQUIRED	YEAR OF ENACT-MENT	RUTGERS SURVEY NUMBER
	FROM	TO				EMPLOY-ER	EMPLOY-EE						
1	43:5-1	43:5-4	All persons in State Service as of January 1, 1921			x	x	60	25 Cont	1/2 average salary for last 2 years	x	1921	25
2	43:6-6.4	43:6-6.10	State Judicial Officers (New court system)		x			70	10	3/4 salary		1948	8
3	43:7-1	43:7-6	Officers and employees of State Penal Institutions			x	x		40 20	1/2 salary- but at least \$50. per mo.	x	1912	18
4	43:6-8		Sergeant at arms of Chancery court (continued to widow during her lifetime and widowhood.)			x	x	60 60	30 30	1/2 salary 1/2 salary	x	1919	22
5	43:6-8.1	43:6-8.2	Sergeant at arms of Chancery Court					70		2/3 salary	x	1919	22
6	43:6-10	43:6-11	Stenographic Reporter ( Court of Chancery)			x	x	61	20	Fixed by judge but not over \$2500.	x	1922	23
7	43:6-13.1		Stenographic Reporter (other than Chancery Court or Court of Chancery Court plus other courts.)			x	x	64	40	1/2 salary- but not over \$3000.	x	1922	23
8	43:6-6.8		Widows of certain judicial officers who died in office.							1/4 salary	Death while in office.	1948	15

NOTE: "c" in "Years of Service" column means continuous.

LIST OF NON-CONTRIBUTORY PENSION LAWS

NO.	STATUTE		PERSONS OR POSITIONS COVERED	LIMITED OR NO NEW APPLICATION	MANDATORY	PERMISSIVE OPTION OF		AGE	YEARS OF SERVICE	AMOUNT OF PENSION	DISABILITY REQUIRED	YEAR OF ENACTMENT	RUTGERS SURVEY NUMBER
	FROM	TO				EMPLOYER	EMPLOYEE						
9	43:6-1	43:6-6	State Judicial officers (Old court system)	x		x	x			1/2 salary	x	1908	9
							x	70	14				
10	43:6-6.1	43:6-6.3	Retired vice chancellor (Increases existing Pension)	x	x				35	3/4 salary		1948	10
11	43:6-6.11		Advisory Master of Court of Chancery	x	x			77	25	\$8000.		1949	11
12	43:6-7		Associate Justice of Supreme Court (Not reappointed)		x			68	More than 20	1/2 salary		1929	12
13	43:6-7.1		Judge of Court of Errors and Appeals (Must have attained age 64 before act passed)	x			x	64 in 1946	15	\$6000.		1946	13
14	43:6-7.2	43:6-7.3	Judge of Court of Errors and Appeals	x			x	70 in 1948		\$9000.		1948	14
15	43:8-2		Widow of Governor							\$2500.		1912	19
16	43:8-3		Widow of Acting Governor						more than 7 mo.	\$1800.		1932	20

## LIST OF NON-CONTRIBUTORY PENSION LAWS

NO.	STATUTE		PERSONS OR POSITIONS COVERED	LIMITED OR NO. NEW APPLICAT-ION	MANDA-TORY	PERMISSIVE OPTION OF		AGE	YEARS OF SER-VICE	AMOUNT OF PENSION	DISABILITY REQUIRED	YEAR OF ENACT-MENT	RUTGERS SURVEY NUMBER
	FROM	TO				EMPLOY-ER	EMPLOY-EE						
17	43:8-4		Widow of Supreme Court Justice	x						\$2500.	Death of judge be-fore 6/12/32 after attaining age 64	1932	16
18	43:8-4 .1		Widow of Vice Chancellor	x				Wid- ow 65		\$4500.	Death of judge be-fore 6/22/35 after 20 yrs. service and age 70.	1935	17
19	43:8-5	43:8-7	Widow of Civil War Veteran (widow employed by State, County, or municipality 25 years continu-ously)	x		x	x			1/2 salary of widow		1907	2
20	43:8-8		Widow of Chief Engineer at Greystone Park Asylum	x						1/2 salary	Death of engineer in service after 35 yrs. and without other retirement.	1929	21
21	43:8-9		Widow and children of employees of Board of Shell Fisheries	x						Not over \$100 per month	Death prior to 3/17/23-Ser-vice connected	1923	24
22	43:9-1 .2	43:9-5	County employees generally			x	x	75	45 c	Not over 90% of salary	x	1918	40
								65	40 c	1/2 salary		1922	41
								60	25 c	1/2 salary		1951	41.1
23	43:9-19	43:9-21	County Clerk			x	x	70	30 c	1/2 salary		1943	46
24	43:9-33		Clerk, County District Court (Service as clerk of county district court and former city district court)			x		75	24 c	Not over 1/2 salary		1953	48.1

**LIST OF NON-CONTRIBUTORY PENSION LAWS**

NO.	STATUTE		PERSONS OR POSITIONS COVERED	LIMITED OR NO NEW APPLI- CATION	MANDA- TORY	PERMISSIVE OPTION OF		AGE	YEARS OF SER- VICE	AMOUNT OF PENSION	DISABILITY REQUIRED	YEAR OF ENACT- MENT	RUTGERS SURVEY NUMBER
	FROM	TO				EMPLOY- ER	EMPLOY- EE						
25	43:9-34	43:9-35	Clerk, County District Court (Service as Clerk of County District Court and Former City District Court)			x			40 c	Not over annual salary		1953	48.2
26	43:9-6		Sergeant-at-arms, County Courts in first class counties	x				55	10	1/2 salary	Totally disabled as of 4/15/29 thru amputation of both arms or legs.	1929	50
27	40:37-149	40:37-150	Officer or employee of county park commission (Not member of county police force or other employee for whom pension is otherwise provided by law)			x		60	25	Not over 1/2 salary	Disabled during term of service	1927	54
28	43:9-17	43:9-18	Secretaries of County Board of Taxation; third class counties (with population of 110,000 to 226,000)			x		60	20	Not over \$1,000.		1941	53
29	43:9-25	43:9-27	Full time District Court Judges (Retired as of 5/20/49) (Increases Pension)	x	x			79 at ret.	36	1/2 salary		1949	47
30	43:9-24		County Judge, Common Pleas Court in First Class County (increases existing pension) Retired as of 5/20/49	x	x				27	\$8,000.		1949	49
31	43:9-22	43:9-23	Superintendent, County Lunatic Asylum			x	x		25c	1/2 salary		1947	44
32	43:9-9	43:9-10	Deputy and Special Deputy Surrogates			x	x		35 c	1/2 salary		1938	43

LIST OF NON-CONTRIBUTORY PENSION LAWS

NO.	STATUTE		PERSONS OR POSITIONS COVERED	LIMITED OR NO NEW APPLI- CATION	MANDA- TORY	PERMISSIVE OPTION OF		AGE	YEARS OF SER- VICE	AMOUNT OF PENSION	DISABILITY REQUIRED	YEAR OF ENACT- MENT	RUTGERS SURVEY NUMBER
	FROM	TO				EMPLOY- ER	EMPLOY- EE						
33	43:9-5.1		Wardens or Jail Keepers						16	not over 1/2 salary	Service-con- nected Disabil- ity	1949	42
34	43:9-13	43:9-16	Widows of employees of county clerk's office in second class counties			x		wi- dow age 60	40 c	1/3 salary of deceased		1941	52
35	43:9-7	43:9-8	Widow of Clerk in County Treasurer's Office			x			25 c	not over 1/2 clerk's sal- ary	Service con- nected death	1932	48
36	43:9-11	43:9-12	Widow of Bookbinder of second class county			x			20	1/3 salary of deceased	Death in ser- vice	1941	51
37	43:9-28	43:9-29	Deputy Clerk of County District Court(service as Clerk, Deputy Clerk, and Sergeant-at-arms of any former City District Court located in County)			x			50 c	Full Salary		1952	48.3
38	43:9-30	43:9-31	Clerk or deputy clerk of county district court (Service as either clerk or deputy clerk and as clerk and sergeant-at-arms of any former city district court located within the county)			x			40 c	not over an- nual salary		1953	48.4
39	43:9-32		Sergeant-at-arms of County District Court			x		75	25 c	not over 1/2 salary		1953	48.5
39A	C 248 P	L 1950	County Chief of Detectives (Retired) (Grants additional pension)	x		x		70	39 c	\$500. per an- num		1950	45



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NO.	STATUTE		PERSONS OR POSITIONS COVERED	LIMITED OR NO NEW APPLI- CATION	MANDA- TORY	PERMISSIVE OPTION OF		AGE	YEARS OF SER- VICE	AMOUNT OF PENSION	DISABILITY REQUIRED	YEAR OF ENACT- MENT	RUTGERS SURVEY NUMBER
	FROM	TO				EMPLOY- ER	EMPLOY- EE						
40	43:12-1		City employees generally			x	x	70 60 75	25 c 40 c 25	1/2 salary		1923	69
41	43:12-6		City Finance Department Employee			x	x	72	20 c	at least 1/2 salary	x	1926	73
42	43:12-12	43:12-16	Fire Department Employees Generally			x			20	Between \$300. and 1/2 salary. Volun- teer firemen not over \$100 salary under \$300.-Pension not less than \$50.	Service connected disability or unfit because of advan- ced age.	1888	65
43	43:12-17	43:12-22	Paid Fireman in any city			x				1/2 salary	Service connected disability	1897	72
							x		20		Service connected disability or ad- vanced age		
43	"	"	Survivors of Paid Fireman in any city		x					1/2 salary	Service con- nected death	1897	72
44	43:12-23		Fireman in first class city			x				1/2 salary- not over \$100. for Volun. fireman.	Service con- nected dis- ability	1895	75
45	43:12-24		Survivors of Fireman in first class city		x					1/2 salary	Service con- nected death	1895	75
46	43:12-25		Fire Department employee in first class city						20	1/2 salary- not over \$100. for Volun. fireman.	Service con- nected dis- ability.	1895	75

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NO.	STATUTE		PERSONS OR POSITIONS COVERED	LIMITED OR NO NEW APPLI- CATION	MANDA- TORY	PERMISSIVE OPTION OF		AGE	YEARS OF SER- VICE	AMOUNT OF PENSION	DISABILITY REQUIRED	YEAR OF ENACT- MENT	RUTGERS SURVEY NUMBER
	FROM	TO				EMPLOY- ER	EMPLOY- EE						
47	43:12- 26	43:12- 28	Survivors of Municipal Fireman			x				Not over annual salary	Service con- nected death	1927	66
48	43:12- 38		Member of City Police Force			x		60	20 20		Disabled during term of service	1885	70
49	43:12- 40	43:12- 42	Policemen of first class city			x	x	50	20	Full pay	Amputee	1921	74
50	43:12- 39		Chief of Police in any city (Must perform any requested special services until aged 60)			x			20	Not over 1/2 salary		1891	71
51	43:12- 47	43:12- 49	Survivors of municipal police officer			x				Not over 1/2 salary if pension also granted under 43:16A	Service con- nected death	1922	64
52	43:12- 32	43:12- 34	Library employees in first class cities			x	x	62	25 c 25 c	At least 1/2 salary	x	1929	78
53	43:12- 1.1	43:12- 1.3	Employees of fourth class cities in sixth class counties			x	x	70	30	1/2 salary		1948	83
54	43:12- 1.4		Clerk, Recorder's Court or Municipal Court, second class cities in first class counties			x	x	65	20	1/2 salary		1948	80

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	FROM	TO				EMPLOY- ER	EMPLOY- EE						
55	43:12- 2	43:12- 5	District Court Clerks and Deputy Clerks in first class cities				x	65	30 c	At least		1923	76
						Clerk x	x	60	25 c		x		
						Dep. Clerk x	x	60	20 c	1/2 salary	x		
56	43:12- 5.1	43:12- 5.3	District Court Clerks in second class cities in first class counties				x	60	25 c	At least 1/2 salary	x	1936	81
57	43:12- 1.7	43:12- 1.9	Clerk, Municipal Court, Second class city			x	x	55	30	1/2 salary		1952	81.1
58	43:12- 29	43:12- 31	Health Officers in first class cities			x	x	60	25 c	Not over 1/2 salary		1915	77
59	43:12- 35	43:12- 37	Overseers of the poor in first class cities			x	x	70	25 c	At least 1/2 salary		1919	79
60	43:12- 50	43:12- 52	Municipal Recorder				x	60	25 c	Not less than \$600.		1920	67
61	43:12- 1.5	43:12- 1.6	Director of Public Health Laboratory in second class city which makes 25,000 tests per annum			x	x	65	25 c	1/2 salary		1948	82
62	43:12- 1.10	43:12- 1.11	Widow of Clerk of Municipal Court in second class city			x			30 c	1/2 salary	Death		

LIST OF NON-CONTRIBUTORY PENSION LAWS

NO.	STATUTE		PERSONS OR POSITIONS COVERED	LIMITED OR NO NEW APPLI-CATION	MANA-GATORY	PERMISSIVE OPTION OF		AGE	YEARS OF SER-VICE	AMOUNT OF PENSION	DISABILITY REQUIRED	YEAR OF ENACT-MENT	RUTGERS SURVEY NUMBER
	FROM	TO				EMPLOY-ER	EMPLOY-EE						
63													
64	43:12-46.1	43:12-46.5	Police officer of municipality which adopted the Police & Firemens' Retirement System before 1948. Police officer waived right to membership and benefits of system.			x	x	65	10	Not over 1/2 salary Benefit should be same as system for same service.	x	1949	63
65	43:12-45	43:12-46	Village Police Department Employees			x		adv.	30	not over 1/2 salary	Mental or physical or by reason of advanced age	1906	87
66	43:11-3		Village Employees in first class counties	x		x		70 as of 4/15/29	15	not over 1/2 salary	disabled during term of service	1929	88
67	43:12-57.6	43:12-57.11	Employee of Township in Second Class County			x		70	25	not over 1/2 salary		1951	94.1
68	43:12-43	43:12-44	Township Police Officer (Must be adopted by referendum)			x		65	20	1/2 salary	serv. connected disability	1908	89
69	43:12-56		Township Tax Assessor			x	x	80	25 c	not over \$600. per annum		1940	90
70	43:12-57		Township Tax Collector			x		70	25	Discretion of Governing Body		1944	91

LIST OF NON-CONTRIBUTORY PENSION LAWS

NO.	STATUTE		PERSONS OR POSITIONS COVERED	LIMITED OR NO NEW APPLI- CATION	MANDA- TORY	PERMISSIVE OPTION OF		AGE	YEARS OF SER- VICE	AMOUNT OF PENSION	DISABILITY REQUIRED	YEAR OF ENACT- MENT	RUTGERS SURVEY NUMBER
	FROM	TO				EMPLOY- ER	EMPLOY- EE						
71	43:12-57 .1	43:12- 57.3	Township Health Officer			x		80	20 c	not over 1/2 salary		1945	92
72	43:12-57 .4		Township Treasurer			x		74	20 c	not over \$1000. per annum		1947	93
73	43:12-57 .5		Township Clerk			x		70	25 c	not over \$2500. per annum		1947	94
74	43:12-53	43:12- 55	Employee of town with population over 40,000			x	x	62	27 c	not over 1/2 av. salary for last 3 yrs		1936	84
75	43:12-63	43:12- 64	Borough employees			x		65	25 c	1/2 salary		1949	85
76	43:12-58	43:12- 60	Borough Superintendent of Public Works			x		60	30 c	not less than 1/2 salary		1944	86
77	18:5-50 .9	18:5-50 .13	Any School District employee not eligible under another pension law					65	10 c	Not less than 1/4 nor more than 1/2 average salary for last 3 yrs		1942	96
78	18:6-36		Secretary of School Board				x	60	25 c	not less than 1/2 salary		1921	97

### LIST OF NON-CONTRIBUTORY PENSION LAWS

[illegible]

## APPENDIX C

### GENERAL NON-CONTRIBUTORY PENSION ACT

AN ACT to establish a general system authorizing the granting of non-contributory pensions by counties, municipalities, and school districts in certain cases; and repealing sundry acts and parts of acts.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. As used in This Act:

(a) Employee means any person holding office, position, or employment in any county, municipality, or school district in the State.

(b) Employer means any county, municipality, or school district in the State.

(c) Final Average Salary means the average base compensation paid by the employer to the employee for the five years immediately preceding his retirement. If he has less than five years service, the final average salary shall be his average base compensation for his total service for the employer.

(d) Permanent and total disability. An employee is deemed to be permanently and totally disabled when it appears not only that he is physically or otherwise incapacitated for service, but that such incapacity will, in all reasonable probability, continue permanently. If an employee claims that such disability exists, the employer shall appoint a physician of skill and repute in his profession and resident of this State, who shall examine the employee. The physician shall make a report of the employee's physical condition or other disability, and if a disability exists, whether in all reasonable probability it will continue permanently, and does and will continue to prevent the employee from giving service to his employer in the performance of his duties.

(e) The Social Security system shall not be deemed a retirement system for the purposes of determining eligibility to a pension under this act.

2. Any employee who is not a member of and was not required by law at the time of appointment or employment, or at any time thereafter, to become a member of a contributory retirement system, may, at the discretion of his employer, be retired and granted a pension under the provisions of this act. No employee shall receive a pension under this act, if he is eligible to receive a pension for the same employment under any other law of this State.

3. The payment of pensions granted pursuant to this Act, shall be provided for in the budget of the employer.

4. In order to be eligible for a pension under the provisions of this act, an employee must be at least 65 years of age, or permanently and totally disabled.

5. The amount of pension granted under this act shall not exceed an amount which, when added to the Social Security Old Age Insurance benefit for which the employee is or could be eligible, will produce a total retirement allowance equal to:

(a) 30% of his final average salary if  
he has been employed by the employer  
for less than 20 years, or

(b) 50% of his final average salary  
if he has been employed by the  
employer for 20 years or more.

The amount of the pension, once established, shall not thereafter be reduced because of an increase in the amount of the employee's Social Security benefit.



6. The following Acts and parts of Acts are hereby repealed: Sections 18:6-29; 18:6-36; 18:6-43; 18:6-44; 18:14-62 to 18:14-64, both inclusive; 40:37-149; 40:37-150; 43:6-8 to 43:6-14; both inclusive; 43:7-1 to 43:7-6, both inclusive; 43:8-1 to 43:8-9, both inclusive; 43:9-1 to 43:9-8, both inclusive; 43:11-3; 43:12-1 to 43:12-55, both inclusive, of the Revised Statutes and Chapter 142 of the laws of 1938, Chapter 156 of the laws of 1939, Chapter 36 of the laws of 1940, Chapter 214 of the laws of 1941, Chapter 368 of the laws of 1941, Chapter 369 of the laws of 1941, Chapter 255 of the laws of 1942, Chapter 194 of the laws of 1943, Chapter 154 of the laws of 1944, Chapter 223 of the laws of 1944, Chapter 287 of the laws of 1945, Chapter 216 of the laws of 1947, Chapter 221 of the laws of 1947, Chapter 285 of the laws of 1947, Chapter 119 of the laws of 1948, Chapter 224 of the laws of 1948, Chapter 254 of the laws of 1948, Chapter 228 of the laws of 1949, Chapter 262 of the laws of 1949, Chapter 293 of the laws of 1949, Chapter 248 of the laws of 1950, Chapter 223 of the laws of 1951, Chapter 262 of the laws of 1951, Chapter 283 of the laws of 1952, Chapter 353 of the laws of 1952, Chapter 301 of the laws of 1953, Chapter 308 of the laws of 1953, Chapter 309 of the laws of 1953, and Chapter 362 of the laws of 1953.

7. No pensions may be granted under the provisions of any statute repealed by Section 6 of this act after the date this act becomes effective. Any pension granted prior to the effective date of this act under the provisions of any statute repealed by Section 6 of this act shall be continued in the same manner and under the same conditions as originally granted.

8. This act shall be known and may be cited as the "General Non-Contributory Pension Act."

9. This act shall take effect immediately.